



August 15, 2008

Mr. Randy Bates, Director
Division of Coastal and Ocean Management
Alaska Department of Natural Resources
302 Gold Street, Suite 202
P.O. Box 11030
Juneau, Alaska 99811-1030

Re: Cook Inlet Region, Inc. Comments – Re-evaluation of the
Alaska Coastal Management Program ("ACMP")

Dear Mr. Bates:

On behalf of the Cook Inlet Region, Inc. ("CIRI"), this letter responds to the Department of Natural Resources (DNR) July 1, 2008 request for comment on its re-evaluation of the ACMP.

CIRI is one of the twelve Alaska-based regional corporations established by Congress under the terms of the Alaska Native Claims Settlement Act of 1971 ("ANCSA"). The company, which is headquartered in Anchorage, Alaska, is owned by approximately 7,500 Alaska Native Shareholders and holds significant surface and subsurface land resources throughout the Cook Inlet area. CIRI owns more than 600,000 acres of surface and 1.3 million acres of subsurface land, primarily in Southcentral Alaska.

CIRI would like to thank DNR staff, particularly DCOM personnel, for their excellent efforts in delivering a program that works, meets federal approval standards, and tries to accommodate so many competing interests and concerns. DNR staff are to be thoroughly commended.

The Legislature passed HB 191 in 2003 to address some very real problems with the ACMP. Among those were:

- subjective district enforceable policies that addressed matters already regulated by federal, state or local laws;
- a lack of certainty, predictability, and consistency in application of the state standards and district policies;
- "homeless stipulations" that had no statutory basis; and

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- unnecessary delay in consistency determination review.

The amended Program is still quite new, and re-evaluating its efficacy today is premature. Since HB 191 was passed, the ACMP has been in a state of flux, with the long process of obtaining federal approval, then the drafting and implementation of regulations, followed by policies and workshops to explain the new statute and implementing regulations, and several coastal district plans not even yet approved. The statutory amendments to the ACMP were not completed until 2005, and the implementing regulations are also relatively new.

Unless new circumstances come to light given more time and experience, CIRI's view is that the ACMP is functioning effectively without need for amendment.

The amended ACMP achieves the purposes of HB 191 with a Program that:

- clearly defines the trigger for a consistency review;
- limits the scope of review to a predictable test based upon activities subject to DNR permit or authorization and a coastal district policy;
- is clear, streamlined with predictable timelines and agency and applicant obligations;
- made best use of the Coastal Project Questionnaire, identifying the information needed for a complete application;
- has a working DEC carve-out where issuance of DEC permits and other authorizations automatically establishes consistency with the ACMP, since DEC's air, land and water quality standards are the exclusive standards of the ACMP;
- does not duplicate existing state and federal law;
- established predictable deadlines for agency completion of consistency reviews;
- provides coastal districts and CRSAs a seat at the table on consistency reviews; and
- allows coastal districts and CRSAs the ability to designate areas based upon special or unique local conditions.

Of particular interest to CIRI is the retention of the statutory requirement that a district enforceable policy may not adopt, duplicate, repeat, restate, or incorporate by reference a state standard or other state or federal law. This ensures that the ACMP is uniformly administered and that coastal districts may only address "matters of local concern" that must be justified and developed using clear and concise standards.

The requirement makes good sense to companies like CIRI with strong mineral extraction interests. DNR amended 11 AAC 112.260, "Sand and gravel Extraction," from what was formerly titled "Mining and Mineral Processing." CIRI recognizes that changing the title of the standard did not remove mining from regulatory purview, as is the case with DEC's air, land and water quality standards, which are the exclusive standards of the ACMP for those

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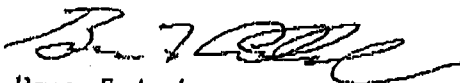
purposes. Rather, CIRI recognizes and agrees with how the new standard simply reflects that the former regulation repeated the substantial mining regulations already in place (e.g., suction dredging in a waterbody designated as important for the spawning, rearing, or migration of anadromous fish is required to obtain a Recreational Suction Dredge Permit from the DNR Office of Habitat Management & Permitting; EPA regulates the use of suction dredges in mining activities; the Army Corps of Engineers regulates use of suction dredges on navigable waters, etc.). Thus, to comply with the HB 191 mandate to eliminate "duplication or restatement of other state or federal requirements," the mining standard was deleted. Notwithstanding, CIRI recognizes that mining-related activities may be addressed through other standards, such as utility routes and facilities, transportation routes and facilities, energy facilities, or subsistence, and district enforceable policies approved under 11 AAC 114.

In short, CIRI believes that the amended ACMP provides a reasonable balance between federal, state and local control over coastal resources. CIRI also agrees with, and finds effective, the existing management scheme based on statewide standards, supplemented by district enforceable policies that are narrowly focused on unique or special local circumstances that do not duplicate state and federal laws. The amended program has achieved those important goals, and ought not be revised in a manner that takes the program back to a period where the standards were not clear, and there was needless duplication of existing state and federal law.

CIRI appreciates this opportunity to comment on DNR's re-evaluation of the ACMP. We look forward to continuing to work with DNR as an important stakeholder as the Program evolves. If you have any questions, please contact me at (907) 263-5503 or banders@ciri.com.

Sincerely,

COOK INLET REGION, INC.



Bruce F. Anders
General Counsel

cc: Tom Irwin, Commissioner, Alaska Department of Natural Resources